

APPENDIX B TO SUBPART E OF PART  
1980—CERTIFICATE OF INCUMBENCY  
AND SIGNATURE

*U.S. Department of Agriculture—Farmers Home  
Administration or its successor agency under  
Public Law 103-354*

I, \_\_\_\_\_ (Name) \_\_\_\_\_,  
(Title) \_\_\_\_\_ of the Farmers  
Home Administration or its successor agency  
under Public Law 103-354, (FmHA or its  
successor agency under Public Law 103-354),  
an Agency of the United States Department  
of Agriculture, DO HEREBY CERTIFY that  
the following person holds the office of  
(State Director, State Program Loan Chief,  
District Director, or County Super-  
visor) \_\_\_\_\_ of \_\_\_\_\_, for FmHA or its  
successor agency under Public Law 103-354  
and that the signature appearing below and  
that the signatures appearing above that  
person's name on the following described  
document is the genuine signature of such  
person:

1. Form(s) FmHA or its successor agency  
under Public Law 103-354 449-34, "Loan Note  
Guarantee," dated \_\_\_\_\_ relating to loan  
made by (Lender's Name) \_\_\_\_\_ to (Bor-  
rower's Name) \_\_\_\_\_, FmHA or its suc-  
cessor agency under Public Law 103-354 Loan  
Identification No. \_\_\_\_\_.

2. Form(s) FmHA or its successor agency  
under Public Law 103-354 449-35, "Lender's  
Agreement," dated \_\_\_\_\_ relating to loan  
made by (Lender's Name) \_\_\_\_\_ to  
(Borrower's Name) \_\_\_\_\_, FmHA or  
its successor agency under Public Law 103-  
354 Loan Identification No. \_\_\_\_\_.

3. Form(s) FmHA or its successor agency  
under Public Law 103-354 449-36, "Assign-  
ment Guarantee Agreement," dated \_\_\_\_\_ re-  
lating to loan made by (Lender's  
Name) \_\_\_\_\_ to (Borrower's  
Name) \_\_\_\_\_, FmHA or its successor  
agency under Public Law 103-354 Loan Identi-  
fication No. \_\_\_\_\_.

Signature \_\_\_\_\_ (Name  
Type) \_\_\_\_\_.

In witness whereof, I have hereunto signed  
my name this \_\_\_\_\_ day of \_\_\_\_\_,  
19\_\_\_\_.

Farmers Home Administration or its suc-  
cessor agency under Public Law 103-354.

By \_\_\_\_\_  
(Title) \_\_\_\_\_

APPENDIX C TO SUBPART E OF PART  
1980—GUIDELINES FOR LOAN GUAR-  
ANTEES FOR ALCOHOL FUEL PRODUC-  
TION FACILITIES

(1) *Alcohol production facility.* An alcohol  
production facility is a facility in which al-  
cohol, suitable for use by itself or in com-  
bination with other substances as a sub-  
stitute for petroleum or petrochemical feed-

stocks and not suitable for beverage pur-  
poses, is manufactured from biomass.

(2) The alcohol production facility includes  
all facilities necessary for the production  
and storage of alcohol and the processing of  
the by-products of alcohol production. The  
intent is to limit the alcohol and by-prod-  
ucts processing facilities to those facilities  
which are necessary to yield marketable  
products and necessary for the financial suc-  
cess of the project. Further refinements,  
such as gasoline blending or the construction  
of facilities which use the alcohol or by-  
products in another manufacturing process,  
are not considered part of the alcohol pro-  
duction facility.

(3) Application will be reviewed by both  
B&I personnel and the State Office engineer  
and forwarded to the National Office if ap-  
proval is recommended.

(4) The applicant should have a startup  
*tangible* book equity of 20-25 percent. (Ap-  
praisal surplus and subordinated debt are not  
eligible equity items.)

(5) Loan maturity maximums will be as  
follows:

Real Estate=15-20 years

Machinery & Equipment=10 years or less de-  
pending on the estimated life of the equip-  
ment involved

Working Capital=3 years (It is assumed that  
the additional equity required for these  
projects will provide much of the working  
capital needs.)

(6) Farmers Home Administration or its  
successor agency under Public Law 103-354  
will ordinarily only finance new facilities  
and will not get involved in the refinancing  
of existing ones.

(7) Priority consideration will be given to  
the use of primary fuel other than petroleum  
or natural gas.

(8) A positive energy balance must be indi-  
cated and supported by appropriate data; i.e.,  
the energy content of the alcohol produced  
at the alcohol production facility must be  
greater than the energy used to produce the  
alcohol and by-products.

(9) Plant location, in relation to feed-  
stocks, primary fuel and markets for product  
and by-products, will be an important con-  
sideration.

(10) Debt refinancing will only be consid-  
ered in modest amounts and only when nec-  
essary to provide a satisfactory lien position.

(11) Feasibility studies are very important  
and required and will be prepared by com-  
petent and knowledgeable independent par-  
ties.

(12) Participating lenders must either have  
expertise or the availability of expertise in  
this field.

(13) The proposed operating managers must  
have experience in this or a related field.

(14) Alcohol Fuel Production Facilities are  
eligible for assistance under the Drought and